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March 21, 2002 LB 946

CLERK: Mr. President, LB 946 was a bill originally introduced by Senator Wickersham. (Read title.) The bill was introduced on January 10 of this year, referred to the Revenue Committee, advanced to General File. I do have committee amendments, Mr. President. (AM2764, Legislative Journal page 629.)

SENATOR CUDABACK: Senator Wickersham, you're recognized to open on advancement of LB 946.

SENATOR WICKERSHAM: Thank you, Mr. President. LB 946 is a modest proposal, the bill in its green copy, an exceedingly modest proposal. The green copy of the bill would propose that after its effective date that we be able to budget for the credits and the rebates that would be paid under various economic development incentive projects entered into after the effective date. That we would be able to explicitly budget for those expenditures, and not that we would cut our obligations or whatever was due, but that we would simply budget for them as we do for any other expenditure. And if we came to the end of the year, and we found that we were spending more than we had budgeted for, we would not make additional payments until the subsequent year in which we had a deficit appropriation, exactly the same funding technique that we use for other state expenditures; would, again, only apply to those agreements entered into after the effective date of the bill so that anybody who signed an agreement would know what to expect, no...no cause to believe that somehow something had changed. Now, what was the impetus for the bill? The impetus for the bill was very simply, the wide fluctuations we have seen on a calendar year in only one of our economic development incentive programs, only one, and that's LB 775. There are others. I'm sure you're going to become familiar with them. We have had consistently rather high levels of change in those programs; change in terms of either increased, for LB 775, increased expenditures or in terms of decreased expenditures. Expenditures in that particular program on the calendar year, 1994 to 1995, there was an increase of 30.55 percent. The subsequent year, there was an increase of 8.84 percent. The next year there was a decrease of 13.61; the next year an increase of 26.10; the next year a decrease of 18.56. In the year 2000, there was an increase again of 23.16, and this year